

AN ORDINANCE 2006-06-29-0811

**AUTHORIZING AN AMENDMENT TO A PROFESSIONAL SERVICES AGREEMENT WITH THE SEGAL COMPANY TO PROVIDE ADDITIONAL ACTUARIAL VALUATION AND RELATED SERVICES IN CONNECTION WITH THE FIRE AND POLICE RETIREE HEALTHCARE FUND FOR AN AMOUNT NOT TO EXCEED \$50,000.00.**

\* \* \* \* \*

**WHEREAS**, pursuant to Ordinance No. 97666, passed and approved on May 22, 2003, the City of San Antonio ("City") and The Segal Company ("Consultant") entered into a professional services agreement ("Agreement") for actuarial services related to the Fire and Police Retiree Healthcare Fund (the "Fund"); and

**WHEREAS**, pursuant to Ordinance No. 99422, passed and approved on June 24, 2004, the Parties executed their first amendment to the Agreement to add employee benefits consulting services related to health benefit plans provided by the City; and

**WHEREAS**, pursuant to Ordinance No. 100676, passed and approved on April 14, 2005, the Parties executed their second amendment to the Agreement to provide a new actuarial valuation for the Fund, and for additional contingent consulting services related to the Fund; and

**WHEREAS**, City wishes to execute a third amendment to the Agreement for Consultant to provide additional contingent services, such as modeling related to changes in contributions and benefit levels, and cost containment measures, and monitoring and review of proposed legislation related to the Fund, and to seek Council ratification of a revised actuarial valuation of the Fund performed since the last amendment with new data provided by the City; and

**WHEREAS**, the ratification would be for services performed at a cost of \$15,000, and the additional contingent services would be for an amount not to exceed \$35,000, for a total expenditure by this amendment of up to \$50,000.00; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The City Manager, or her designee, is hereby authorized 45 days to negotiate and execute the third amendment to the professional services agreement for actuarial services with The Segal Company related to the Fire and Police Retiree Healthcare Fund to provide a revised actuarial valuation with new data provided by the City, and for contingent additional services, for a total expenditure by this amendment not to exceed an additional \$50,000.00. A copy of said amendment, in substantially final form, is attached hereto and incorporated herein for all purposes as Exhibit A. Services previously provided in connection with the revised actuarial valuation and contingent additional services are hereby ratified.

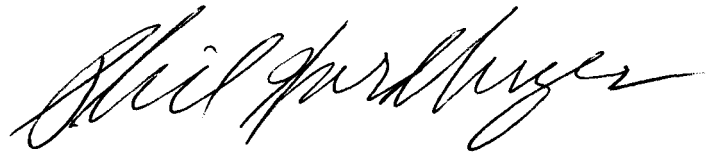
**SECTION 2.** Funds for this expenditure are available in Fund11001000, General Fund, Cost Center, 8002060001, PROFESSIONAL FEES, General Ledger 5201040, Fees to Professional Contractors as part of the FY06 budget.

**SECTION 3.** Payment not to exceed \$50,000.00 is authorized to The Segal Company and should be encumbered with a purchase order.

**SECTION 4.** The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director may, subject to concurrence by the City Manager or her designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

**SECTION 5.** This ordinance shall become effective on July 9, 2006.

**PASSED AND APPROVED** this 29<sup>th</sup> day of June, 2006.



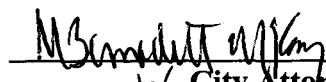
**M A Y O R**

**PHIL HARDBERGER**

**ATTEST:**

  
**City Clerk**

**APPROVED AS TO FORM:**

  
for **City Attorney**

**THIRD AMENDMENT TO  
PROFESSIONAL SERVICES AGREEMENT  
FOR ACTUARIAL SERVICES**

This Third Amendment to the Professional Services Agreement for Actuarial Services is entered into by and between the City of San Antonio, Texas ("City"), pursuant to Ordinance No. \_\_\_\_\_, passed and approved on June 29, 2006, and The Segal Company (Eastern States), Inc. ("Consultant"), collectively referred to herein as "the Parties", and is as follows:

**WHEREAS**, the Parties entered into a professional services agreement for actuarial services related to the Fire & Police Retiree Healthcare Fund (the "Fund") by Ordinance No. 97666, passed and approved by the San Antonio City Council (the "Council") on May 22, 2003 (the "Agreement"); and

**WHEREAS**, said Agreement was amended by the Parties pursuant to Ordinance No. 99422, passed and approved by the Council on June 24, 2004, to allow Consultant to provide employee benefits consulting services in relation to the health benefit plans provided by City, and to provide additional funding for contingent additional services related to the Fund; and

**WHEREAS**, said Agreement was further amended by the Parties pursuant to Ordinance No. 100676, passed and approved by the Council on April 14, 2005, to allow Consultant to provide a new actuarial study of the Fire & Police Retiree Healthcare Fund and related services; and

**WHEREAS**, the parties wish to amend the agreement again to provide for additional services as more particularly described below;

**NOW THEREFORE**, in accordance with the Agreement, and in consideration of the mutual covenants, terms, conditions, privileges and obligations herein contained, the Parties agree to amend the Agreement, pursuant to Section XV. Amendments, as follows.

**I. DEFINITIONS**

Article I. Definitions is hereby amended by revising the definition of "Director" to read as follows:

"Director" shall mean the Director of City's Finance Department.

**II. NEW ACTUARIAL STUDY**

(A.) Article III. Scope of Services is hereby amended by adding the new section 3.4.9, which shall be as follows:

3.4.9 general cost containment analysis.

(B.) Article III. Scope of Services is hereby amended by adding the new section 3.10, which shall be as follows:

3.10 Consultant shall provide revisions to the 10-1-04 valuation, and related services.

### III. COMPENSATION TO CONSULTANT

(A). Article IV is hereby amended by adding the new Section 4.1.2, which shall be as follows:

4.1.2 In consideration for Consultant's performance in a satisfactory and efficient manner, as determine solely by Director, of all services and activities set forth in Section 3.10 of this Agreement, City agrees to pay Consultant an amount not to exceed Fifteen Thousand dollars (\$15,000.00).

(B). Article IV is hereby amended by deleting Section 4.2 in its entirety and replacing it with the following:

4.2. In consideration for Consultant's performance in a satisfactory and efficient manner, as determine solely by Director, of all services and activities agreed to for contingent additional services, City agrees to pay Consultant based on the estimate agreed to for each individual contingent additional services engagement. However, in no event shall the total compensation to be paid to Consultant for contingent additional services in the aggregate exceed Ninety Thousand dollars. (\$90,000.00).

### IV. PROVISIONS TO REMAIN IN EFFECT

All other terms, conditions, covenants and provisions of the Agreement approved through Ordinance No. 97666, and amended by Ordinance No. 99422 and Ordinance No. 100676 are hereby renewed and extended, save and except as modified herein.

Approved and effective as of the date of the last party to execute below.

**CITY OF SAN ANTONIO**

**THE SEGAL COMPANY (EASTERN STATES), INC.**

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Title:

Date: \_\_\_\_\_, 2006

Date: \_\_\_\_\_, 2006

Approved as to Form:

\_\_\_\_\_  
City Attorney